

## **IC 12-29-2**

### **Chapter 2. Community Mental Health Centers**

#### **IC 12-29-2-1**

##### **Application of chapter**

Sec. 1. This chapter applies only to the funding of a program of services for the mentally ill that is designated as a community mental health center by the division of mental health and addiction in the division's approval of the program.

*As added by P.L.2-1992, SEC.23. Amended by P.L.215-2001, SEC.79.*

#### **IC 12-29-2-1.2**

##### **County financial assistance for community mental health centers; purposes; appropriation**

Sec. 1.2. (a) The county executive of a county may authorize the furnishing of financial assistance for the purposes described in subsection (b) to a community mental health center that is located or will be located:

- (1) in the county;
- (2) anywhere in Indiana, if the community mental health center is organized to provide services to at least two (2) counties, including the county executive's county; or
- (3) in an adjacent state, if the center is organized to provide services to Indiana residents, including residents in the county executive's county.

If a community mental health center is organized to serve more than one (1) county, upon request of the county executive, each county fiscal body may appropriate money annually from the county's general fund to provide financial assistance for the community mental health center.

(b) Assistance authorized under this section shall be used for the following purposes:

- (1) Constructing a community mental health center.
- (2) Operating a community mental health center.

(c) The appropriation from a county authorized under subsection (a) may not exceed the following:

- (1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by one and five hundred four thousandths (1.504).
- (2) For 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by one and five hundred four thousandths (1.504).

*As added by P.L.78-2004, SEC.15.*

#### **IC 12-29-2-2 Version a**

##### **Funding of operation; property tax rate limitations**

*Note: This version of section effective until 1-1-2004. See also following version of this section, effective 1-1-2004.*

Sec. 2. (a) Subject to subsections (b), (c), and (d), a county shall

fund the operation of community mental health centers in an amount not less than the amount that would be raised by an annual tax rate of one and thirty-three hundredths cents (\$0.0133) on each one hundred dollars (\$100) of taxable property within the county, unless a lower tax rate will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

- (1) If the total population of the county is served by one (1) center.
- (2) If the total population of the county is served by more than one (1) center.
- (3) If the partial population of the county is served by one (1) center.
- (4) If the partial population of the county is served by more than one (1) center.

(b) This subsection applies only to a property tax that is imposed in a county containing a consolidated city. The tax rate permitted under subsection (a) for taxes first due and payable after 1995 is the tax rate permitted under subsection (a) as adjusted under this subsection. For each year in which an annual adjustment of the assessed value of real property will take effect under IC 6-1.1-4-4.5 or a general reassessment of property will take effect, the department of local government finance shall compute the maximum rate permitted under subsection (a) as follows:

STEP ONE: Determine the maximum rate for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

- (A) Zero (0).
- (B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of:

- (A) the STEP ONE tax rate; divided by

(B) one (1) plus the STEP SIX percentage increase.

This maximum rate is the maximum rate under this section until a new maximum rate is computed under this subsection for the next year in which an annual adjustment under IC 6-1.1-4-4.5 or a general reassessment of property will take effect.

(c) With respect to a county to which subsection (b) does not apply, the maximum tax rate permitted under subsection (a) for taxes first due and payable in calendar year 2004 and calendar year 2005 is the maximum tax rate that would have been determined under subsection (d) for taxes first due and payable in 2003 if subsection (d) had applied to the county for taxes first due and payable in 2003.

(d) This subsection applies only to a county to which subsection (b) does not apply. The tax rate permitted under subsection (a) for taxes first due and payable after calendar year 2005 is the tax rate permitted under subsection (c) as adjusted under this subsection. For each year in which an annual adjustment of the assessed value of real property will take effect under IC 6-1.1-4-4.5 or a general reassessment of property will take effect, the department of local government finance shall compute the maximum rate permitted under subsection (a) as follows:

STEP ONE: Determine the maximum rate for the year preceding the year in which the annual adjustment or general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the year preceding the year the annual adjustment or general reassessment takes effect to the year that the annual adjustment or general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined under STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value (before the adjustment, if any, under IC 6-1.1-4-4.5) of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed under STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of:

(A) the STEP ONE tax rate; divided by

(B) one (1) plus the STEP SIX percentage increase.

This maximum rate is the maximum rate under this section until a new maximum rate is computed under this subsection for the next

year in which an annual adjustment under IC 6-1.1-4-4.5 or a general reassessment of property will take effect.

*As added by P.L.2-1992, SEC.23. Amended by P.L.17-1995, SEC.12; P.L.6-1997, SEC.152; P.L.90-2002, SEC.366; P.L.170-2002, SEC.84; P.L.1-2004, SEC.54 and P.L.23-2004, SEC.56.*

#### **IC 12-29-2-2 Version b**

##### **Funding of operation; amount of funding; calculation**

*Note: This version of section effective 1-1-2004. See also preceding version of this section, effective until 1-1-2004.*

Sec. 2. (a) A county shall fund the operation of community mental health centers in the amount determined under subsection (b), unless a lower tax levy amount will be adequate to fulfill the county's financial obligations under this chapter in any of the following situations:

- (1) If the total population of the county is served by one (1) center.
- (2) If the total population of the county is served by more than one (1) center.
- (3) If the partial population of the county is served by one (1) center.
- (4) If the partial population of the county is served by more than one (1) center.

(b) The amount of funding under subsection (a) for taxes first due and payable in a calendar year is the following:

- (1) For 2004, the amount is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the amount that was levied within the county to comply with this section from property taxes first due and payable in 2002.

STEP TWO: Multiply the STEP ONE result by the county's assessed value growth quotient for the ensuing year 2003, as determined under IC 6-1.1-18.5-2.

STEP THREE: Multiply the STEP TWO result by the county's assessed value growth quotient for the ensuing year 2004, as determined under IC 6-1.1-18.5-2.

- (2) For 2005 and each year thereafter, the result equal to:
  - (A) the amount that was levied in the county to comply with this section from property taxes first due and payable in the calendar year immediately preceding the ensuing calendar year; multiplied by
  - (B) the county's assessed value growth quotient for the ensuing calendar year, as determined under IC 6-1.1-18.5-2.

*As added by P.L.2-1992, SEC.23. Amended by P.L.17-1995, SEC.12; P.L.6-1997, SEC.152; P.L.90-2002, SEC.366; P.L.170-2002, SEC.84; P.L.1-2004, SEC.54 and P.L.23-2004, SEC.56; P.L.78-2004, SEC.16.*

#### **IC 12-29-2-3**

**Total or partial population of county served by one center;**

**maximum appropriation; determination**

Sec. 3. In situations described in section 2(a)(1) or 2(a)(3) of this chapter, the county's maximum appropriation for part of the total operating budget of the center is determined as follows:

STEP ONE: Divide the total county population by the population of the county residing in the primary service area of the community mental health center that is certified by the division of mental health and addiction to serve the county.

STEP TWO: Multiply the amount determined in STEP ONE by the total operating budget of the center after the operating budget of the center is reduced by the following anticipated amounts:

(A) Gifts, except bequests.

(B) Merchandise.

(C) Fees.

(D) Federal grants for direct service, except research and demonstration grants.

*As added by P.L.2-1992, SEC.23. Amended by P.L.79-2002, SEC.2.*

**IC 12-29-2-4**

**Total or partial population of county served by more than one center; maximum appropriation; allotment to each center; determination**

Sec. 4. (a) Except as provided in subsection (b), in situations described in section 2(a)(2) or 2(a)(4) of this chapter, the county's maximum appropriation for part of the total operating budget of the centers is determined in the same manner as in situations described in section 2(a)(1) or 2(a)(3) of this chapter.

(b) The amount derived from the calculation under subsection (a) represents the combined maximum appropriation to all centers serving the particular county. Except for a county containing a consolidated city, the allotment to each center shall be determined in the following manner:

(1) To determine the allotment to each center serving the total population of the county under the situation described in section 2(a)(2) of this chapter, the amount actually appropriated shall be apportioned according to the proportion of the county's population residing in the primary service area of each center, which is certified by the division of mental health and addiction to serve the county, to the total population of the county.

(2) To determine the allotment to each center in the situation described in section 2(a)(4) of this chapter, the amount actually appropriated shall be apportioned according to the proportion of the county's population residing in the primary service area of each center, which is certified by the division of mental health and addiction to serve the county, to the population of the county served by all centers.

*As added by P.L.2-1992, SEC.23. Amended by P.L.79-2002, SEC.3.*

**IC 12-29-2-5**

**Maximum appropriation determined as county's absolute proportional share of each center's budget; calculations**

Sec. 5. (a) The maximum appropriation determined under section 3 or 4 of this chapter represents the county's absolute proportional share of each center's total operating budget.

(b) If the proportional share is less than the amount of property taxes raised under the tax rate required under section 2 of this chapter, the county shall appropriate only the maximum appropriation amount.

(c) If the proportional share is more than the amount of property taxes raised under the tax rate required under section 2 of this chapter, the county:

(1) shall appropriate that amount; and

(2) may appropriate an additional amount up to an amount that would equal the amount of property taxes raised by a tax rate of three and one-third cents (\$0.03 1/3).

*As added by P.L.2-1992, SEC.23. Amended by P.L.40-1994, SEC.63; P.L.1-2004, SEC.55 and P.L.23-2004, SEC.57.*

**IC 12-29-2-6 Repealed**

*(Repealed by P.L.78-2004, SEC.25.)*

**IC 12-29-2-7**

**Appropriation**

Sec. 7. The county fiscal body shall appropriate and approve the money necessary to carry out this chapter.

*As added by P.L.2-1992, SEC.23.*

**IC 12-29-2-8**

**Repealed**

*(Repealed by P.L.37-1998, SEC.1.)*

**IC 12-29-2-9**

**Repealed**

*(Repealed by P.L.37-1998, SEC.1.)*

**IC 12-29-2-10**

**Repealed**

*(Repealed by P.L.37-1998, SEC.1.)*

**IC 12-29-2-11**

**Repealed**

*(Repealed by P.L.37-1998, SEC.1.)*

**IC 12-29-2-12**

**Repealed**

*(Repealed by P.L.37-1998, SEC.1.)*

**IC 12-29-2-13**

**Lake County; additional funding of centers; property tax levy increase; requirements**

Sec. 13. (a) This section applies to Lake County.

(b) In addition to any other appropriation under this article, the county annually may fund each center serving the county from the county's general fund in an amount not exceeding the following:

(1) For 2004, the product of the amount determined under section 2(b)(1) of this chapter multiplied by seven hundred fifty-two thousandths (0.752).

(2) For 2005 and each year thereafter, the product of the amount determined under section 2(b)(2) of this chapter for that year multiplied by seven hundred fifty-two thousandths (0.752).

(c) The receipts from the tax levied under this section shall be used for the leasing, purchasing, constructing, or operating of community residential facilities for the chronically mentally ill (as defined in IC 12-7-2-167).

(d) Money appropriated under this section must be:

(1) budgeted under IC 6-1.1-17; and

(2) included in the center's budget submitted to the division of mental health and addiction.

(e) Permission for a levy increase in excess of the levy limitations may be ordered under IC 6-1.1-18.5-15 only if the levy increase is approved by the division of mental health and addiction for a community mental health center.

*As added by P.L.2-1992, SEC.23. Amended by P.L.40-1994, SEC.64; P.L.6-1995, SEC.36; P.L.6-1997, SEC.153; P.L.215-2001, SEC.80; P.L.78-2004, SEC.17.*

**IC 12-29-2-14**

**Operation by uncertified entity; investigations; penalties**

Sec. 14. (a) An entity may not:

(1) hold itself out to be a community mental health center; or

(2) use the term "community mental health center";

unless the entity is certified by the division of mental health and addiction.

(b) The division of mental health and addiction shall investigate a report that an entity is operating as a community mental health center without the approval of the division of mental health and addiction and report the division's findings to the attorney general.

(c) Upon receiving a report made under subsection (b), the attorney general may do the following:

(1) Seek the issuance of a search warrant to assist in the investigation.

(2) File an action for injunctive relief to stop the operation of the entity that is the subject of the report if there is reasonable cause to believe that the entity is operating without the required approval of the division of mental health and addiction.

(3) File an action for injunctive relief to stop the entity that is the subject of the report from using the term "community mental health center".

(4) Seek in a civil action a civil penalty of not more than one hundred dollars (\$100) a day for each day an entity is operating without the required approval of the division of mental health and addiction.

(d) An opportunity for an informal meeting with the division of mental health and addiction must be provided after the injunctive relief is ordered.

(e) The civil penalties collected under this section must be deposited in the mental health centers fund (IC 6-7-1-32.1).

*As added by P.L.111-1997, SEC.6. Amended by P.L.215-2001, SEC.81.*

#### **IC 12-29-2-15**

##### **County fiscal body member of the board**

Sec. 15. (a) A community mental health center that:

- (1) is certified by the division of mental health and addiction;
- (2) receives county funding from one (1) or more counties under this chapter; and

(3) is not administered by a hospital licensed under IC 16-21-2; shall include a member of a county fiscal body, or a county fiscal body's designee, on the center's governing board. The member shall be selected by the county fiscal body of the county where the community mental health center maintains its corporate mailing address. The county fiscal body representative must reside in one (1) of the counties in the community mental health center's primary service area.

(b) A community mental health center that:

- (1) is certified by the division of mental health and addiction;
- (2) receives county funding from one (1) or more counties under this chapter; and

(3) is administered by a hospital licensed under IC 16-21-2; shall include a member of a county fiscal body, or a county fiscal body's designee, on the center's advisory board. The member shall be selected by the county fiscal body of the county where the community mental health center maintains its corporate mailing address. The county fiscal body representative must reside in one (1) of the counties in the community mental health center's primary service area.

*As added by P.L.79-2002, SEC.4.*

#### **IC 12-29-2-16**

##### **Annual report to county fiscal body**

Sec. 16. A community mental health center that is certified by the division of mental health and addiction shall provide an annual report to the fiscal body of each county from which the center receives funding under this chapter.

*As added by P.L.79-2002, SEC.5.*

#### **IC 12-29-2-17**

##### **Issuing county bonds for construction, equipment, or improvement**



Sec. 17. (a) Bonds of a county may be issued for the construction and equipment or the improvement of a building to house a community mental health center.

(b) If services are provided to at least two (2) counties:

(1) bonds of the counties involved may be issued to pay the proportionate cost of the project in the proportion determined and agreed upon by the fiscal bodies of the counties involved; or

(2) bonds of one (1) county may be issued and the remaining counties may annually appropriate to the county issuing the bonds amounts to be applied to the payment of the bonds and interest on the bonds in the proportion agreed upon by the county fiscal bodies of the counties involved.

*As added by P.L.78-2004, SEC.18.*

### **IC 12-29-2-18**

#### **Application of laws**

Sec. 18. All general Indiana statutes relating to the following apply to the issuance of county bonds under this chapter:

(1) The filing of a petition requesting the issuance of bonds.

(2) The giving of notice of the following:

(A) The filing of the petition requesting the issuance of the bonds.

(B) The determination to issue bonds.

(C) A hearing on the appropriation of the proceeds of the bonds.

(3) The right of taxpayers to appear and be heard on the proposed appropriation.

(4) The approval of the appropriation by the department of local government finance.

(5) The right of taxpayers to remonstrate against the issuance of bonds.

*As added by P.L.78-2004, SEC.19.*

### **IC 12-29-2-19**

#### **County property of building if bond issued; nonapplication of tax limitations**

Sec. 19. If bonds are issued under this chapter:

(1) the building that is constructed, equipped, or improved with proceeds of the bonds is:

(A) the property of the county issuing the bonds; or

(B) the joint property of the counties involved if the bonds are issued by at least two (2) counties; and

(2) the tax limitations in this chapter do not apply to the levy of taxes to pay the bonds and the interest on the bonds.

*As added by P.L.78-2004, SEC.20.*

### **IC 12-29-2-20**

#### **Certification by county auditor; county payments; certification of federal financial participation eligibility**

Sec. 20. (a) On the first Monday in October, the county auditor shall certify to:

- (1) the division of mental health and addiction, for a community mental health center; and
- (2) the president of the board of directors of each community mental health center;

the amount of money that will be provided to the community mental health center under this chapter.

(b) The county payment to the community mental health center shall be paid by the county treasurer to the treasurer of each community mental health center's board of directors in the following manner:

- (1) One-half (1/2) of the county payment to the community mental health center shall be made on the second Monday in July.
- (2) One-half (1/2) of the county payment to the community mental health center shall be made on the second Monday in December.

(c) A county making a payment under this section or from other county sources to a community mental health center that qualifies as a community mental health center disproportionate share provider under IC 12-15-16-1 shall certify that the payment represents expenditures eligible for financial participation under 42 U.S.C. 1396b(w)(6)(A) and 42 CFR 433.51. The office shall assist a county in making this certification.

(d) Payments by the county fiscal body:

- (1) must be in the amounts:
  - (A) determined by sections 2 through 5 of this chapter; and
  - (B) authorized by sections 1.2 and 13 of this chapter; and
- (2) are in place of grants from agencies supported within the county solely by county tax money.

*As added by P.L.78-2004, SEC.21.*